

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

9 6 — 0 1 5

2. STATE:

New Jersey

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

01,
January 26, 1996

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.200, 250

7. FEDERAL BUDGET IMPACT:

a. FFY 96 \$ — \$133,000,000

b. FFY 97 \$ — up to \$200,000,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, page I-257

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19A, page 165 I-262.2

** See Remarks

10. SUBJECT OF AMENDMENT:

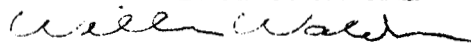
Disproportionate Share Payments to Hospitals

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:

Exempt pursuant to 7.3 of the plan.

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

William Waldman

14. TITLE:

Commissioner

15. DATE SUBMITTED:

3-29-96

16. RETURN TO:

Division of Medical Assistance
and Health Services

CN 712

Trenton, NJ 08625

17. DATE

18. EFFECTIVE

21. TYPED NAME

23. SIGNATURE

Effective date as January 1, 1996

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Instate Acute Care Inpatient Hospital Services
Disproportionate Share Hospital Adjustment**

- f) The hospital-specific "revenue from private payers" shall be equal to the sum of the gross revenues, as reported to DOH in a hospital's 1993 Actual Cost Reports for all non-governmental third party payers including but not limited to Blue Cross and Blue Shield plans, commercial insurers and Health Maintenance Organizations;
 - g) The hospital-specific payer-mix factor shall be equal to the hospital's adjusted Charity Care divided by its revenue from private payers;
 - h) The "statewide-target payer-mix factor" is the lowest payer-mix factor to which all hospitals receiving Charity Care subsidies can be reduced by spending all available Charity Care subsidy funding for that year;
 - i) "Income from operations" and "total operating revenue" are defined in accordance with the financial reporting requirements established by DOH.
- c) Any Charity Care subsidy funds that are not distributed in a given year pursuant to the above shall lapse to the Health Care Subsidy Fund.
 - d) The maximum amount of Charity Care Subsidy for 1994 shall be \$450 million; in 1995 it shall be \$400 million; in 1996 it shall be \$350 million; except that the Essential Health Services Commission or its successor may adjust the annual allotments by regulation and in accordance with the availability of monies in other accounts in the fund, if necessary, to ensure access to hospital care for indigent persons. Payments made on or after January 1, 1996 under this distribution are subject to available funding.

96-15-MA(NJ)

Supersedes 95-16-MA

TN 96-15 Approval Date FEB 02 2001
Supersedes TN 95-16 Effective Date JAN 01 1996